

1 FINANCE AND ADMINISTRATION CABINET

2 Department of Revenue

3 (Amendment)

4 103 KAR 44:120. Incorrect Statement of Origin or Certificate of Title.

5 RELATES TO: KRS 138.460

6 STATUTORY AUTHORITY: KRS 131.130(1)

7 NECESSITY, FUNCTION AND CONFORMITY: KRS 131.130(1) authorizes the  
8 Department of Revenue to promulgate administrative regulations necessary for the administration  
9 and enforcement of all tax laws in Kentucky. This administrative regulation establishes the  
10 requirements relating to taxes paid on a motor vehicle which has been registered under an incorrect  
11 statement of origin or other certificate of title.

12 Section 1. Definitions. (1) "Kentucky Certificate of Title" means a document of ownership  
13 issued by the Kentucky Transportation Cabinet as Form TC 96-180 which contains the following  
14 minimum vehicle information:

15 (a) Date the Kentucky title was issued;

16 (b) Vehicle identification number assigned to the vehicle; and

17 (c) Make and model of the vehicle.

18 (2) "Motor vehicle usage tax" means the tax levied upon the transfer of ownership of a motor  
19 vehicle pursuant to KRS 138.450 to 138.470.

20 (3) "Statement of Origin" means a document generated by the manufacturer of a motor vehicle  
21 which contains the following minimum vehicle information:

- (a) Date the vehicle was manufactured;
- (b) Vehicle identification number assigned to the vehicle; and
- (c) Make and model of the vehicle.

Section 2. Correction of Transfer Record. (1) A motor vehicle registered under an incorrect Statement of Origin issued by a manufacturer or an incorrect Kentucky Certificate of Title issued by the Kentucky Transportation Cabinet shall be registered using the corrected Statement of Origin or the corrected Kentucky Certificate of Title. Upon registration of the correct vehicle, the motor vehicle usage tax shall be paid.

(2) Since the motor vehicle usage tax was paid on both transfers, a written request shall be filed with the Department of Revenue for a refund of the tax paid on the vehicle registered in error.

Section 3. Refund Application Process. The owner of a motor vehicle who has paid the motor vehicle usage tax on a vehicle that has been issued an incorrect Statement of Origin or incorrect Kentucky Certificate of Title shall submit in writing a refund request indicating the reason for the request to the Department of Revenue with the following documents attached:

- (1) "Authority to Cancel or Refund", memorandum issued by the Transportation Cabinet;
- (2) A copy of the owner's Kentucky Registration Receipt (Form TC 96-181), for the vehicle which was incorrectly registered;
- (3) A copy of the owner's completed Application for Kentucky Certificate of Title/Registration (Form TC 96-182), for the vehicle;
- (4) If applicable, a copy of the owner's incorrect Kentucky Certificate of Title (Form TC 96-180), under which the vehicle had been previously registered; and
- (5) If applicable, a copy of the owner's incorrect Statement of Origin, under which the vehicle had been previously registered under.

1 Section 4. (1) This administrative regulation shall replace Policy 71P110.

2 (2) Revenue Policy 71P110 is hereby rescinded and shall be null, void, and unenforceable.

3 Section 5. The forms listed herein may be obtained at the Kentucky Transportation Cabinet  
4 Forms Library website at [http://transportation.ky.gov/Organizational-Resources/Pages/Forms-](http://transportation.ky.gov/Organizational-Resources/Pages/Forms-Library.aspx)  
5 Library.aspx, or by calling (502)564-4610.

6 ~~[Section 5. Incorporation by Reference. (1) The following material is incorporated by~~  
7 ~~reference:~~

8 ~~—(a) "Application for Kentucky Certificate of Title/Registration", Form TC 96-182, (January~~  
9 ~~2000);~~

10 ~~—(b) "Kentucky Certificate of Title", Form TC 96-180, (May 2004);~~


11 ~~—(c) "Kentucky Registration Receipt", Form TC 96-181, (August 1996); and~~

12 ~~—(d) Authority to Cancel or Refund, March 2007.~~

13 ~~—(2) This material may be inspected, copied or obtained, subject to applicable copyright law, at~~  
14 ~~the Department of Revenue, 501 High Street, Frankfort, Kentucky 40602, Monday through Friday,~~  
15 ~~8 a.m. to 5 p.m.]~~

103 KAR 44:120

APPROVED BY AGENCY:

  
\_\_\_\_\_  
DANIEL P. BORK, COMMISSIONER  
Department of Revenue  
Finance and Administration Cabinet

9/12/17  
\_\_\_\_\_  
Date

## PUBLIC HEARING AND PUBLIC COMMENT PERIOD

A public hearing on this administrative regulation shall be held on October 24, 2017, at 1:00 p.m. in Room 11A, State Office Building, Frankfort KY 40601. Individuals interested in being heard at this hearing shall notify this agency in writing by five (5) workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be cancelled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through October 31, 2017. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

CONTACT PERSON: Lisa Swiger, Tax Policy Research Consultant, Department of Revenue, 501 High Street, Station 1, Frankfort, Kentucky, 40601, (502) 564-9526 (telephone), (502) 564-3875(fax), [Lisa.Swiger@ky.gov](mailto:Lisa.Swiger@ky.gov)(email).

## REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Regulation No. 103 KAR 44:120

Contact Person: Lisa Swiger

Phone Number: (502) 782-5705

Email: Lisa.Swiger@ky.gov

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation updates regulatory language to conform to recent statutory language revisions.

(b) The necessity of this administrative regulation: To update outdated language in the regulation to the most up to date information now provided in statute.

(c) How this administrative regulation conforms to the content of the authorizing statutes: It updates the current outdated language to comply with statutory changes made to KRS 131 in SB 129 of the 2016 General Assembly that removed the requirement for the department to file a regulation incorporating applicable forms. This amendment removes references to forms incorporated by reference in this regulation that are provided by the Transportation Cabinet.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: It may potentially decrease calls or questions to the department regarding the most recent versions of the forms listed in this regulation.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: This amendment will remove references to forms previously provided in this regulation that may be obtained by the Transportation Cabinet.

(b) The necessity of the amendment to this administrative regulation: To provide the most up to date information for all who would seek guidance from this regulation.

(c) How the amendment conforms to the content of the authorizing statutes: This amendment provides guidance on the location of the forms listed herein.

(d) How the amendment will assist in the effective administration of the statutes: It may decrease questions or calls to the department, allowing staff to focus on revenue generating tasks.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: All individuals, businesses, organizations, or state and local governments that may reference this regulation for guidance.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: No actions are necessary to comply with this amendment.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): There is no cost to any entity to comply.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): Anyone who accesses the amended regulation will benefit from the updated information contained therein.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: There is no cost to the department to implement the proposed amendment beyond current department budgeted funds and staff.

(b) On a continuing basis: There is no cost to the department on a continuing basis.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: There is no additional cost to implement and enforce the proposed amendment.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: There is no additional cost to implement and enforce the proposed amendment.

(8) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees: No fees are directly or indirectly established or increased by the proposed amendment.

(9) TIERING: Is tiering applied? (Explain why or why not) : No. Tiering is not applied as all entities who would reference this regulation for guidance will be held to the same criteria.

## FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Regulation No. 103 KAR 44:120

Contact Person: Lisa Swiger

Phone Number: (502) 564-9526

Email: Lisa.Swiger@ky.gov

1. What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? The Finance and Administration Cabinet, Department of Revenue.

2. Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 131.130 and KRS 131.131.

3. Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? None. This amendment is merely a department cleanup effort for the Red Tape Reduction Initiative to remove unneeded references to forms that are provided by a different cabinet.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? None.

(c) How much will it cost to administer this program for the first year? No additional costs will be incurred in the first year of this regulation being in effect.

(d) How much will it cost to administer this program for subsequent years? No additional costs will be incurred in subsequent years.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-):

Expenditures (+/-):

Other Explanation: